

IDEA's Excess Cost Calculation

Supplement not Supplant and the Individuals with Disabilities Education Act

Many federal education programs are built on the premise that an LEA (local education agency) has in place a solid core educational program for all students. This core education program is to be funded with local and state monies. In general, the term “supplement not supplant” refers to a federal program’s requirement that federal funds are never used to pay for costs that are considered the LEA’s core educational program. The federal funds under these programs are earmarked to provide ‘above and beyond’ services usually targeted towards specific student needs.

Federal education programs implement the supplement not supplant provision in different ways. As an example, the supplement not supplant provision for a targeted assistance school in a Title I-A program under the Elementary and Secondary Education Act (ESEA) has a strict “particular cost” test in which a cost previously funded with local dollars may not be funded at a future time with Title I monies. In this way, the program is ensuring that Title I funds are not used for anything that may be part of the LEA’s core educational program.

Supplement not supplant under IDEA is very different from “particular cost” testing. The law takes a step back and looks at an LEA’s program broadly rather than at individual costs. The supplement not supplant provision under IDEA is tested three different ways: Excess Cost, Maintenance of Effort (MOE), and the Excess Cost Calculation.

Definitions of Excess Cost, Maintenance of Effort (MOE) and the Excess Cost Calculation

Under IDEA, excess cost (§300.202(a)(2)) refers to the expenditures generated by providing special education instruction and related services to students with disabilities attending the LEA. In addition to receiving the core educational program for all students, a student with a disability under IDEA has an Individualized Education Plan (IEP). This document contains services that the student must receive in addition to the core educational program. In addition to student-specific costs, there is a network of special education supports, such as those provided by a Special Education Director.

Expenditures that meet the definition of excess cost are eligible for federal funding under IDEA as well as Wisconsin special education categorical aid reimbursement. For accounting purposes, excess cost expenditures are separated out from general education and coded to fund 27. This is the simplest way to define an excess cost of special education: If the LEA did not have any students with disabilities, the cost would not exist. Additional information on this topic can be viewed at: <http://sped.dpi.wi.gov/sites/default/files/imce/sped/pdf/idea-allowables.pdf>. Separating the expenditures between general and special education ensures federal funds are not used for costs that may be part of the LEA’s core educational program.

Maintenance of Effort (§300.203) is the expectation that LEAs expend at least the same amount of local and state funding for special education and related services as it expended in a prior fiscal year. This takes

the supplement not supplant provision one step further – in addition to a core education program for all students, there is an expectation that the LEA has a core special education program established for students with disabilities funded with local and state monies. Federal funds are to be used in addition to the local and state funds spent by the LEA. Each year the LEA maintains state and local costs for the provision of special education, the supplement not supplant provision has been met. There is never any issue with moving excess cost expenditures from local to federal funds and back again. This is because the LEA has already demonstrated, through maintaining the same level of local and state funded expenditures, that federal funds are not being used to lower the LEA’s established obligation towards the special education program. For additional information on MOE, see http://sped.dpi.wi.gov/sped_grt-moe

The excess cost calculation is the third way IDEA establishes that an LEA is meeting the supplement not supplant provision. It is defined in §300.16 as costs that are in excess of the average annual per student expenditure level for an elementary school or secondary school student. This demonstrates that the LEA is not using federal funds in place of local and state funds for the core educational program in regard to students with disabilities.

Excess Cost Calculation Compliance Monitoring

As with allowable costs and MOE compliance, the SEA is required to ensure that LEAs are completing the excess cost calculation annually to determine the supplement not supplant provision is being met. The federal single audit also requires independent auditors to test the LEA’s compliance with the excess cost calculation as part of the special education cluster review.

To assist LEAs in compiling the calculation, DPI has created an Excel workbook which instructs the LEA on which financial and student count data must be used. The workbook then performs the correct calculations. This Excel workbook can be downloaded at: http://sped.dpi.wi.gov/sped_excess-cost-calculation

This workbook must be completed annually and maintained as a grant record by the LEA. In addition to being part of the single audit review, DPI will also select LEAs to submit the completed workbook with supporting documentation to ensure LEA compliance.

Excess Cost Calculation Excel Workbook

The basis of the excess cost calculation is to establish an average annual per student cost and multiplying that amount by the number of students with disabilities for which the LEA has financial responsibility to establish a minimum amount the LEA must spend on the education of a student with a disability. The term “education” in this part includes both general and special education.

The regulations instruct how the average annual per student cost is determined. A key point is that this “per student cost” must be calculated for an elementary student and then separately for a secondary student. Wisconsin statute (§115.01(2)) defines “elementary” as grades 4K-8 and “secondary” as grades 9-12. Because it is defined in state statute, an LEA must use these grade spans for the calculations, even if the LEA has schools that combine grades defined as elementary and secondary (i.e. a K-12 school or a 7-8-9 junior high school). Costs that cannot be attributed directly to a school level, such as general

operations or district-level director positions, are to be pro-rated based on the elementary and secondary school-level expenditures.

The following pages will walk the LEA through the calculation as presented in the Excess Cost Calculation workbook.

Tab: Base Calculation

This tab contains a mix of numbers that will either be hand-entered by the user or pulled from other sheets within the workbook. It contains four sections:

Part A - Total Federal, State and Local Expenditures

Part B - Federal and State Revenue Received

Part C - Average Annual Per Student Expenditure

Part D - State and Local Minimum Required for Students with Disabilities

Section: Part A - Total Federal, State and Local Expenditures

Tab: School Level Expenditures

Tab: District Wide Expenditures

Tab: Food Service Expenditures

Tab: Payments for Services

The following graphic is the first half of Part A (the elementary side) on the Base Calculation Tab:

PART A - Total Federal, State, and Local Expenditures		
ELEMENTARY		
FY 2013-14 Elementary Level Expenditures:	\$63,155,727.47	Pulled in from 'School Level Expenditure's' tab
FY 2013-14 District Level Total Expenditures Pro-Rated:	\$13,772,948.23	Auto Calculated
FY 2013-14 Total Elementary Expenditures:	\$76,928,675.70	Auto Calculated
FY 2013-14 Total Elementary Payments (Deducted) Pro-Rated:	\$1,886,093.31	Pulled in from "Payments for Services" tab
FY 2013-14 Total Elementary Federal, State and Local Expenditures:	\$75,042,582.39	Auto Calculated

The following graphic is the other half of Part A (the secondary side) on the Base Calculation Tab:

SECONDARY		
FY 2013-14 Secondary Level Expenditures:	\$26,295,712.72	Pulled in from "School Level Expenditure's" tab
FY 2013-14 District Level Total Expenditures Pro-Rated:	\$5,734,547.04	Auto Calculated
FY 2013-14 Total Secondary Expenditures:	\$32,030,259.76	Auto Calculated
FY 2013-14 Total Secondary Payments (Deducted) Pro-Rated:	\$785,299.61	Pulled in from "Payments for Services" tab
FY 2013-14 Total Secondary Federal, State and Local Expenditures:	\$31,244,960.15	Auto Calculated

The elementary and secondary level expenditure data for funds 10, 21, 23, 27 and 29 is entered on the “School Level Expenditures” tab. For a closed fiscal year, enter the totals for the following functions split out appropriately between grades 4K-8 and 9-12. These functions include:

<i>Fund 10 – General Fund</i>	
10E 100000	Instruction – All functions in the series, all objects
10E 210000	Pupil Services
	Exclude 211 100 Direction of Pupil Services 212 100 Direction of Social Work 213 100 Direction of Guidance 214 100 Direction of Health 215 100 Direction of Psychological Services 217 000 Attendance (all)
10E 220000	Instructional Staff Services
	Exclude 221 100 Direction of Improvement of Instruction 222 100 Direction of Library Media 223 100 Athletics 223 700 Voc Ed Supervision & Coordination 223 900 Other Instr. Staff Supervision & Coordination
10E 240000	School Building Administration (except K-12 LEAs)
10E 431000	General Tuition - Non Open Enrollment
10E 433000	Co-Curricular Cooperative Program Charges
10E 435000	General Tuition - Open Enrollment

<i>Fund 20 – Special Projects Fund</i>	
20E 100000	Instruction – All functions in the series, all objects
20E 210000	Pupil Services
	Exclude 212 100 Direction of Social Work 213 100 Direction of Guidance 214 100 Direction of Health 215 100 Direction of Psychological Services 217 000 Attendance (all)
20E 220000	Instructional Staff Services
	Exclude 221 100 Direction of Improvement of Instruction 223 300 Special Ed Supervision & Coordination 223 700 Voc Ed Supervision & Coordination 223 900 Other Instr. Staff Supervision & Coordination
20E 436000	Special Education Tuition - Non-Open Enrollment
20E 437000	Special Education Tuition - Open Enrollment

The amounts entered into the School Level Expenditure's page are then reflected in the appropriate fields on the Base Calculation page. The next step is entering "District-wide Expenditures." District-wide expenditures are those that are incurred for a common purpose and not readily assignable to the elementary or secondary levels. To deal with costs that are truly district-wide and not school specific (such as superintendent expenditures), the LEA will determine a total amount and the workbook will distribute the district-wide costs to the elementary and secondary levels based on a percentage of cost.

As an example, the LEA reports that elementary level expenditures equal \$150,000 and secondary level expenditures equal \$125,000 for a total of \$275,000. The LEA then reports that district-wide expenditures equal \$50,000. Of the district-wide expenditures, \$27,000 will be added to the elementary level (54%) and \$23,000 will be added to the secondary level (46%) total expenditures.

District-wide functions for funds 10, 21, 23, 27 and 29 include:

<i>Fund 10 – General Fund</i>	
10E 211100	Direction of Pupil Services
10E 212100	Direction of Social Work
10E 213100	Direction of Guidance
10E 214100	Direction of Health
10E 215100	Direction of Psychological Services
10E 217000	Attendance - All functions in the series, all objects
10E 221100	Direction of Improvement of Instruction
10E 222100	Direction of Library Media
10E 223000	Supervision & Coordination - All functions in the series, all objects
10E 230000	General Administration - All functions in the series, all objects
10E 250000	Business Administration - All functions in the series, all objects
10E 260000	Central Services - All functions in the series, all objects
10E 270000	Insurances and Judgments - All functions in the series, all objects
10E 290000	Other Support Services - All functions in the series, all objects
10E 492000	Adjustments and Refunds
10E XXXXXX 500	Capital Outlay (which is then deducted from the total)

<i>Fund 20 – Special Projects Fund</i>	
20E 212100	Direction of Social Work
20E 213100	Direction of Guidance
20E 214100	Direction of Health
20E 215100	Direction of Psychological Services
20E 221100	Direction of Improvement of Instruction
20E 223000	Special Ed Supervision & Coordination
20E 250000	Business Administration - All functions in the series, all objects
20E 260000	Central Services - All functions in the series, all objects

Fund 20 – Special Projects Fund (continued)

20E 270000	Insurances and Judgments - All functions in the series, all objects
20E 290000	Other Support Services - All functions in the series, all objects
20E 492000	Adjustments and Refunds
20E XXXXXX 500	Capital Outlay (which is then deducted from the total)

Fund 50, which includes food service, is on a separate tab because LEAs will need to determine whether costs can be allocated at the school level or distributed district-wide. District-wide functions include:

Fund 50 – Food Service Fund

50E 250000	Business Administration - All functions in the series, except 257 000 Food Service
50E 257000	Food Service
50E 290000	Other Support Services - All functions in the series, all objects
50E 492000	Adjustments and Refunds
50E XXXXXX 500	Capital Outlay (which is then deducted from the total)

On the same page, the LEA has the option of allocating function 257000 between the elementary and secondary levels rather than reporting the total at the district-level.

The final step for Part A is entering “Payments for Services.” These revenues are distributed using the same percentages applied to the district-wide costs and then deducted from the LEA’s expenditures to determine final amounts. The sources to be reported for funds 10, 21, 23, 27, 29 and 50 are:

Fund 10 – General Fund

10R 240 Series	Payments for Services
10R 340 Series	Interdistrict Payments for Services
10R 390	Other Payments from Wisconsin Districts
10R 400 Series	Interdistrict Payments Outside Wisconsin
10R 530	Payments for Services from CCDEBs
10R 540	Payments for Services from CESAs
10R 590	Other Payments from CESAs

Fund 20 – Special Projects Fund

20R 240 Series	Payments for Services
20R 340 Series	Interdistrict Payments for Services
20R 390	Other Payments from Wisconsin Districts
20R 400 Series	Interdistrict Payments Outside Wisconsin
20R 530	Payments for Services from CCDEBs
20R 540	Payments for Services from CESAs
20R 590	Other Payments from CESAs

Fund 50 – Food Service Fund

50R 390	Other Payments from Wisconsin Districts
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Once the amounts have been entered into each tab, the Base Calculation tab will look like this:

**FY 2013-14 Excess Cost Base Calculation
(to determine required FY 2014-2015 expenditure level)**

District Name and LEA Code: The Greatest District Ever

Name of Person Completing Form: Rachel Zellmer

Total District Level Costs: \$19,507,495.27
Percent Elementary: 71%
Percent Secondary: 29%

PART A - Total Federal, State, and Local Expenditures			
ELEMENTARY		SECONDARY	
FY 2013-14 Elementary Level Expenditures:	\$63,155,727.47	FY 2013-14 Secondary Level Expenditures:	\$26,295,712.72
FY 2013-14 District Level Total Expenditures Pro-Rated:	\$13,772,948.23	FY 2013-14 District Level Total Expenditures Pro-Rated:	\$5,734,547.04
FY 2013-14 Total Elementary Expenditures:	\$76,928,675.70	FY 2013-14 Total Secondary Expenditures:	\$32,030,259.76
FY 2013-14 Total Elementary Payments (Deducted) Pro-Rated:	\$1,886,093.31	FY 2013-14 Total Secondary Payments (Deducted) Pro-Rated:	\$785,299.61
FY 2013-14 Total Elementary Federal, State and Local Expenditures:	\$75,042,582.39	FY 2013-14 Total Secondary Federal, State and Local Expenditures:	\$31,244,960.15

Section: Part B - Total Federal and State Revenue Received

The next section is completed solely on the Base Calculation tab. The LEA must enter the total federal and state revenue received for the fiscal year per §300.16(a) and (b). The revenue must be allocated at the elementary and secondary levels, but the totals reported should match the amounts reported in the LEA's PI 1505 Annual Report. These include:

PART B - Federal and State Revenue Received

FY 2013-14 IDEA Part B - Fund 27, Source 730 (Projects 341, 342, 347, 348)
FY 2013-14 Title I-A - Fund 10, Source 751 (Projects 141, 145, 153, 154)
FY 2013-14 Title III-A - Fund 10, Source 730 (Projects 371, 391)
FY 2013-14 Special Education State Aid - Fund 27, Sources 611, 626, 642
FY 2013-14 Special Education High Cost Aid - Fund 27, Sources 625, 711
FY 2013-14 Bilingual / Bicultural Aid - Fund 10, Source 618 (Project 322)
FY 2013-14 SAGE - Fund 10, Source 650 (Project 332)

Once the amounts have been entered, this section on the Base Calculation tab will look like this:

PART B - Federal and State Revenue Received			
ELEMENTARY		SECONDARY	
FY 2013-14 IDEA Part B - Fund 27, Source 730 (Projects 341, 342, 347, 348)	\$3,025,780.02	FY 2013-14 IDEA Part B - Fund 27, Source 730 (Projects 341, 342, 347, 348)	\$1,235,881.98
FY 2013-14 Title I-A - Fund 10, Source 751 (Projects 141, 145, 153, 154)	\$38,190.23	FY 2013-14 Title I-A - Fund 10, Source 751 (Projects 141, 145, 153, 154)	\$15,598.83
FY 2013-14 Title III-A - Fund 10, Source 730 (Projects 371, 391)	\$15,269.00	FY 2013-14 Title III-A - Fund 10, Source 730 (Projects 371, 391)	\$0.00
FY 2013-14 Special Education State Aid - Fund 27, Sources 611, 626, 642	\$3,061,158.02	FY 2013-14 Special Education State Aid - Fund 27, Sources 611, 626, 642	\$1,235,881.98
FY 2013-14 Special Education High Cost Aid - Fund 27, Sources 625, 711	\$36,116.00	FY 2013-14 Special Education High Cost Aid - Fund 27, Sources 625, 711	\$0.00
FY 2013-14 Bilingual / Bicultural Aid - Fund 10, Source 618 (Project 322)	\$38,190.23	FY 2013-14 Bilingual / Bicultural Aid - Fund 10, Source 618 (Project 322)	\$15,598.83
FY 2013-14 SAGE - Fund 10, Source 650 (Project 332)	\$703,457.18	FY 2013-14 SAGE - Fund 10, Source 650 (Project 332)	\$0.00
FY 2013-14 Total Federal and State Revenue Received	\$6,918,160.68	FY 2013-14 Total Federal and State Revenue Received	\$2,502,961.62

Section: Part C - Average Annual Per Student Expenditure

The next section determines the average annual per student expenditure level. To complete this calculation, the LEA must enter the total number of resident students enrolled in the *first preceding year* of the year expenditures are being reported. This is a key factor for this calculation. This is the only time in the calculation that the preceding year is used. The workbook will always provide the LEA with the correct student enrollment year to use. LEA's should use the enrollment numbers reported in the September Pupil Count Report.

Once the numbers have been entered, this section on the Base Calculation tab will look like this:

Part C - Average Annual Per Student Expenditure			
ELEMENTARY		SECONDARY	
FY 2013-14 Total Elementary Expenditures	\$68,124,421.71	FY 2013-14 Total Secondary Expenditures	\$28,741,998.53
FY 2012-13 Total Elementary Resident Student Enrollment (4K - 8)	7,051	FY 2012-13 Total Secondary Resident Student Enrollment (9 - 12)	3,276
Average Annual Per Student Expenditure, Elementary Level:	\$9,661.67	Average Annual Per Student Expenditure, Secondary Level:	\$8,773.50

This amount is auto-filled based on the LEA's total federal, state and local expenditures less federal and state revenue received.

Section: Part D - State and Local Minimum Required for Students with Disabilities

The final section determines the minimum amount the LEA must spend on the education of students with disabilities (both general and special education) in the current fiscal year to demonstrate the LEA is supplementing its local costs with IDEA funds and not supplanting them (§300.202(b)(2)(i)).

The Average Annual per Student Expenditure is pulled from Part C. To complete this calculation, the LEA must enter the number of students with disabilities for which the LEA was financially responsible in the year expenditures are being reported. Total 4K-12 student with disability enrollment counts can be accessed through the LEA's web-based IDEA MOE report. The LEA will need to determine which of those students are enrolled in grades 4K-8 versus grades 9-12.

Child Count Break Down	
Resident District = Submitting District:	1,364
Plus Reason Out of District Students:	
Other Resident (RES):	0
Other Submitting (SUBM):	0
Chapter 220 (C220):	0
Tuition Waiver (WAIV):	0
Residential Care Center (RCC):	0
Base Total for Both Counts:	1,364
Add Students Open Enrolled Into District:	27
October 1 Child Count Total:	1,391
Add Students Open Enrolled Out of District:	33
Maintenance of Effort Child Count Total:	1,397

This information is accessed through the MOE report by clicking on the hyperlinked MOE Child Count numbers

Use this number as it represents the students for which the district is financially responsible rather than the students in which the district has FAPE responsibilities

Once the numbers have been entered, this section on the Base Calculation tab will look like this:

Part D - State and Local Minimum Required for Students with Disabilities			
ELEMENTARY		SECONDARY	
Average Annual Per Student Expenditure, Elementary Level:	\$9,661.67	Average Annual Per Student Expenditure, Secondary Level:	\$8,773.50
FY 2013-14 IDEA MOE Students with Disabilities Count (Grades 4K - 8)	949	FY 2013-14 IDEA MOE Students with Disabilities Count (Grades 9 - 12)	448
State and Local Minimum Elementary Amount Required:	\$9,168,923.02	State and Local Minimum Secondary Amount Required:	\$3,930,529.71

These are the minimum amounts the LEA must spend at each level to demonstrate compliance with the supplement not supplant provision.

Determining Compliance

To determine if the LEA is in compliance with the supplement not supplant provision under excess cost, the LEA must complete the final tab of the spreadsheet "Calculation Results" after the close of the current fiscal year. Most of the information for this tab can be taken from the Excess Cost Calculation workbook developed for the next fiscal year. The differences will be in the Part B section, revenues received, and the student count years in Part C and D.

All LEAs receiving Part B IDEA Entitlement funds must maintain this workbook every year. Per grant record requirements, the completed document must be kept by the subrecipient for a minimum of four years after the end of the grant's fiscal year.

Last Updated: March 5, 2015

Document Location: http://sped.dpi.wi.gov/sped_excess-cost-calculation